

U.S. Department of Energy
WEATHERIZATION ANNUAL FILE WORKSHEET
Grant: EE0006193 Amendment: M000 State: WI Year: 2016

Budget Period 7/01/2016 – 6/30/2017

IV. ANNUAL FILE

Subgrantee	
Admin	\$407,365
Operations & Support	\$5,336,812
Financial Audit	\$25,000
Liability Insurance	\$40,000
Health & Safety	\$350,000
Agency T&TA	\$440,000
Subtotal	\$6,599,177
Leveraging	\$300,000
State Administration	\$407,365
State T&TA	\$840,764
Subtotal	\$1,548,129
Total	\$8,147,306

IV.1 Subgrantees

Subgrantee	City	Funding*	Units
ADVOCAP, Inc.	Fond du Lac	\$303,253	36
Ashland County Housing Authority	Mellen	\$315,543	38
Rock/Walworth Community Action	Janesville	\$304,037	36
CAP Services, Inc.	Stevens Point	\$249,118	30
Central Wisconsin CAC, Inc.	Wisconsin Dells	\$237,485	28
Partners for Community Development Inc.	Sheboygan	\$237,561	28
Hartford Community Development Authority	Hartford	\$131,738	15
Indianhead CAA	Ladysmith	\$285,054	34
La Casa de Esperanza	Waukesha	\$405,287	49
NEWCAP, Inc.	Oconto	\$468,933	57
North Central CAP, Inc.	Wisconsin Rapids	\$389,258	47
Outagamie County Housing Authority	Appleton	\$193,701	23
Project Home, Inc.	Madison	\$244,032	29
Racine/Kenosha CAA	Racine	\$462,221	56
Southwestern Wisconsin CAP	Dodgeville	\$125,312	14
West Central Wisconsin CAA	Glenwood City	\$328,579	39
Western Dairyland EOC	Independence	\$198,410	23
CouleeCAP, Inc.	Westby	\$229,413	27
We Are Hope Inc.	Sturgeon Bay	\$68,413	7
La Casa de Esperanza - Milwaukee	Waukesha	\$473,943	57
Community Relations–Social Development Commission	Milwaukee	\$473,943	57
Partners for Community Development Authority – Milw.	Milwaukee	\$473,943	57
TOTALS		\$6,599,177	787

*Allocations are for planning purposes and are subject to change.

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IV.2 WAP Production Schedule

Average Unit Costs, Units Subject to DOE Project Rules	
VEHICLES & EQUIPMENT AVERAGE COST PER DWELLING UNIT (DOE RULES)	
A Total Vehicles & Equipment (\$5,000 or more) Budget	\$0.00
B Total Units Weatherized	748
C Total Units Reweatherized	39
D Total Dwelling Units to be Weatherized and Reweatherized (B+C)	787
E Average Vehicle & Equipment Acquisition Cost per Unit (A divided by D)	\$0.00
AVERAGE COST PER DWELLING UNIT (DOE RULES)	
F Total Funds for Program Operations	\$5,336,812
G Total Dwelling Units to be Weatherized and Reweatherized (from line D)	787
H Average Program Operations Cost per Unit (F divided by G)	\$6,781.21
I Average Vehicle & Equipment Acquisition Cost per Unit (from Line E)	\$0.00
J Total Average Cost per Dwelling (H plus I)	\$6,781.21

IV.3 Energy Savings

Method used to calculate energy savings: ☐ WAP algorithm ☒ Other (describe below)

Method used to calculate savings description:

Based on Wisconsin's 2016 Self Evaluation Savings (SES) study energy savings are projected to average 210 heating therms, or 22% per household and 1,300 baseload kilowatt hours (kWh), or 14% per household. These savings projections are based on an analysis of over 49,000 natural gas and electric accounts weatherized between 2011 and 2015, including pre- and post-weatherization data. Based on our updated fuel costs used in Wisconsin's Weatherization Assistant parameters, this equals an annual savings of \$400 per household served. The total energy savings for the planned 787 weatherized units in Wisconsin using Department of Energy (DOE) funds are estimated to be 16,536 MBtus annually or about \$4.5 million over the approximate 20 year life of the measures.

Program Year	Savings (MBtus)	
	Estimated	Actual
2015-2016	16,536	Not available
2014-2015	15,432	20,130

Fuel Prices for Weatherization Modeling

The Division of Energy, Housing and Community Resources ("DEHCR" or "the Division") reviewed the procedures for identifying the base-year fuel prices and the fuel-price-change indices used in Weatherization Assistant. The capability to extract natural gas from shale deposits in the United States has dramatically impacted the market price in the last several

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years. The increased production of natural gas combined with the economic downturn depressed natural gas prices over the past several years. Although there has been a shift to more drilling in oil-rich shale deposits, the market price for oil is still driven by global supply and demand. Because of the world market nature of the price of oil, the relatively small number of homes in Wisconsin using that fuel supply for heating, and the relatively high price of fuel oil, there is a diminished value to the program for changing the protocol for fuel-oil pricing and escalation. However, there is value in developing an alternate approach to pricing natural gas.

Base-Year Price Identification and Fuel-Price-Change Indexing

The fundamental purpose of this exercise is to develop base-year-fuel-price and fuel-price-change methodologies that enable and facilitate present value analysis and comparison of future energy savings against the projected costs of the weatherization measures. The Division will use the base-year prices for Program Year 2016-2017, with the first full year of energy savings encompassing the heating season of 2017-2018.

In the past, each fuel's base-year price for modeling purposes has been identified as the fuel's average price for the last five winter heating seasons. This method for establishing a base-year price reflects the concept that energy prices will generally revert to the mean, i.e. that market prices will fluctuate over time and that market forces (supply and demand) will interact and revert to a mean price. In this context, the historic average price is relatively indicative of the long-term trend.

Another factor under consideration is that we are developing base-year prices in a financial model for homes to be weatherized the next fiscal year, with the first full winter of savings being winter of 2017-2018. Developing a base-year price and an index system that reflects the timing reality of the expenditure and the subsequent savings, combined with the timing and the basis of U.S. Energy Information Administration (EIA) annual energy forecasting releases, would be beneficial. Because there is no federal update (NIST Handbook 135) published that provides the specific input from the 2016 EIA forecast until later this year, we believe that a modification of the base-year price and price-change-index systems would create a more realistic basis for financial evaluation.

Natural Gas: Base Price

Based on the potential upward trend in natural gas prices as forecasted by EIA, Wisconsin will blend five historic-price data points and two anticipated-price data points to identify its base-year price for natural gas. The base-year price equals the mean of five years of historic heating-season prices and two years of anticipated heating season prices (Source: EIA Short Term Outlook). The Division believes this approach is the best alternative considering that 1) the downward trend in natural gas prices over the past several years may be reversing and 2) a blend of historic prices and anticipated prices would be a logical approach for identifying the base-year price for natural gas in the financial modeling.

Base-Year for Indexing Natural Gas Price Changes

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By founding the base-year price for natural gas on five years of historic price data and two years of anticipated price data, the base-year pricing method incorporates EIA's forecasts for natural gas prices for the winters of 2016-2017 and 2017-2018. Therefore, the proposed index system will use 2017 as the base year for indexing future prices for natural gas. This avoids double counting of the EIA 2017 and 2018 forecast in both the base price and in the price-change indexing.

IV.4 DOE-Funded Leveraging Activities

Wisconsin has identified approximately \$300,000 in DOE leverage funds to provide staff oversight for the operation of the joint DOE/Public Benefits weatherization assistance program. Leveraged funds are used to continue program design work, assist subgrantees in training new personnel, work with property owner associations to increase the number of weatherized rental units, and coordinate utility providers' contributions to the state Public Benefits funds.

Leverage funds are vital to the effective use of Public Benefits funds to increase the number of units and measures completed with DOE funds. Public Benefits funds allow the weatherization program to address water heater conversion, freezers, and electrical use, thereby providing a "whole house" approach to the program.

The combined weatherization program incorporates the DOE minimum program requirements of:

- Household eligibility
- Use of an approved audit system or measures list
- Household priority for service
- Meet or exceed materials standards
- Average DOE funds per unit does not exceed DOE's maximum
- Preference to existing DOE subgrantees

In addition to an estimated \$36 million of the Public Benefits funds, approximately \$11 million in Low Income Home Energy Assistance Program (LIHEAP) funds will be used to weatherize units.

Non-DOE funded units are reported as leveraged units.

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IV.5 Policy Advisory Council

Policy Advisory Council Members

Jennifer Fischer	(608) 240-7460	Aging & Disability Resource Center of Dane County
Jenny Hoffman	(920) 448-6367	Brown County Human Services Department
Stephanie Drum	(608) 246-3444	Employment Resources, Inc.
Gary France	(715) 359-1075	France Propane Service, Inc.
Tim Bruer	(608) 283-7678	Keep Wisconsin Warm Fund (Non-profit utility assistance fundraiser)
Geraldine Spielbauer	(608) 252-7295	Madison Gas & Electric (Utility provider)
Diane Zettelmeier	(414) 289-5744	Milwaukee County Department of Health and Human Services (Subgrantee)
Val Filz	(920) 834-4621	NEWCAP, Inc. (Subgrantee and CAP agency)
Lucio Fuentes	(920) 459-2788	Partners for Community Development (Subgrantee)
Carrie Templeton	(608) 266-1267	Public Service Commission (State entity for regulation of utilities)
Stephanie Ronnfeldt	(608) 649-5722	Richland County Health and Human Services
Jim Gambon	(414) 344-9010	Social Development Commission (Subgrantee and City of Milwaukee social services organization)
Phyllis Novinskie	(608) 943-6909	Southwestern WI CAP (Subgrantee, CAP agency)
Mike Mueller	(414) 221-2521	We Energies (Utility provider)
Robert Jones	(608) 244-0466	WISCAP Association (Association of Wisconsin CAP agencies)
Todd Stuart	(608) 441-5740	Wisconsin Industrial Energy Group (Non-profit ratepayer advocacy)
Mike Hodges	(608) 834-4566	Wisconsin Public Power (Municipal or Coop Utility)
Pat Boland	(651) 639-4407	Xcel Energy (Utility provider)

Policy Advisory Council Meeting

Wisconsin's Policy Advisory Council (PAC), named the Low Income Energy Advisory Committee (LIEAC), was established to provide feedback to the Division on weatherization and energy assistance issues, including approval of annual plans. LIEAC meets up to four times per year, and as-needed. Per 10 CFR 440.17, LIEAC members are broadly representative of organizations and agencies, including consumer groups that represent low-income persons, particularly elderly and handicapped low-income persons and low-income Native Americans in Wisconsin.

A LIEAC meeting was held April 7, 2016 in Madison, WI. The minutes of the LIEAC meeting are included as Attachment 1.

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IV.6 Hearings and Transcripts

Date Held	Newspapers that publicized the hearings and the dates the notice ran
April 5, 2016	The public hearing notice was advertised in the Wisconsin State Journal on March 23, 2016 (See Attachment 2). The public hearing notice was also distributed to Weatherization Assistance Program and Wisconsin Home Energy Assistance Program Grantees in a Division broadcast e-mail on March 23, 2016. The public hearing was held on April 5, 2016 at the State Department of Administration building, 101 E Wilson Street, 1st Floor, Madison, WI at 11:00 am. The public hearing transcript is included as Attachment 3. No written comments were received.

Public Hearing Notice
Division of Energy, Housing and Community Resources
Department of Administration Building
101 E. Wilson St., 1st Floor, Room 132
Madison, WI 53703
April 5, 2016
11:00 AM

Testimony will be accepted on the Program Year (PY)2016 application to the U.S. Department of Energy (DOE) for funding of the Weatherization Assistance Program for low income persons and on local operators of the program. Potential operators of the program include:

ADVOCAP, Inc.
Ashland County Housing Authority
CAP Services, Inc.
Central Wisconsin CAC, Inc.
Community Action, Inc. of Rock/Walworth Counties
Couleecap, Inc.
Hartford Community Development Authority
Indianhead CAA, Inc.
La Casa de Esperanza, Inc.
NEWCAP, Inc.
North Central CAP, Inc.
Outagamie County Housing Authority
Partners for Community Development, Inc.
Project Home, Inc.
Racine/Kenosha CAA
Social Development Commission
Southwestern Wisconsin CAP
We Are HOPE, Inc.
West Central Wisconsin CAP
Western Dairyland EOC, Inc.

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Those wishing to speak shall arrive no later than 11:30 AM Tuesday, April 5. Written comments on the draft application items may be sent to the address or email below to arrive no later than 2:00 PM, Tuesday, April 5, 2016. Written comments will receive equal consideration with testimony given at the public hearing. If you would benefit from a sign language interpreter or other accommodations, please let us know as soon as possible so that arrangements can be made. The Department of Administration (DOA) building is accessible to individuals with disabilities. To obtain copies of the draft application items, please use one of the following methods:

Access them online at www.homeenergyplus.wi.gov – select Grantee Information, WisWAP Grantee Information, and then select Draft PY2016 DOE Annual Plan or Draft PY2016 DOE Master Plan.

Write to:
Weatherization Assistance Program
DOA – Division of Energy, Housing and Community Resources
PO Box 7970
Madison, WI 53707-7970

Contact: Amy Klusmeier
Email: amy.klusmeier@wisconsin.gov
Phone: (608) 264-7981

IV.7 Miscellaneous

Recipient Business Officer and Recipient Principal Investigator

	<i>Business Officer</i>	<i>Principal Investigator</i>
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